

SENATE BILL 2779

By Fowler

AN ACT to amend Tennessee Code Annotated, Title 50, Chapter 7, Part 4, relative to revising employer premium rates for certain purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 50, Chapter 7, Part 4, is amended by adding the following language as a new, appropriately designated section:

Section _____. (a)(1) Notwithstanding any other provision of law to the contrary, beginning with fiscal year 2001-02, upon a determination made each fiscal year by the comptroller that the unemployment compensation fund is at such a level to adequately provide benefits to all claimants during such fiscal year and two (2) additional years at a level sufficient to comply with federal law and regulations, the comptroller shall direct the commissioner and the commissioner shall develop and utilize a similar formula as was developed for funding the job skills program created in 1998 to revise the percentage of unemployment insurance premiums charged to employers in such a manner as to decrease the revenues deposited in the Tennessee Unemployment Insurance Trust Fund and to develop a premium rate to assess employers to provide funding for equipment for higher education. Such percentage changes shall generate an amount

equal to the difference between the amount previously paid by such employers for the Unemployment Insurance Trust Fund and the amount determined by the comptroller to be in excess of the amount needed to adequately provide benefits to claimants during the fiscal year; but in no event shall the amount so generated exceed sixty million dollars (\$60,000,000) for such fiscal year.

(2) For fiscal year 2000-01, the mechanism created in subdivision (1) shall be implemented by the commissioner to revise the percentage of unemployment insurance premiums to decrease revenues deposited in the Tennessee Unemployment Insurance Trust Fund by sixty million dollars (\$60,000,000.), the general assembly determining that during such fiscal year such Unemployment Insurance Trust Fund is more than adequate by such amount to provide benefits to claimants during such fiscal year.

(b) The amount assessed by the commissioner in accordance with subsection (a) shall be placed in a special agency fund created pursuant to subsection (c).

(c)(1) There is created a special agency account in the state general fund to be known as the "higher education equipment fund," hereinafter referred to in this act as the "fund."

(2) Any fund balance remaining unexpended at the end of a fiscal year in the fund shall be carried forward into the subsequent fiscal year.

(3) Interest accruing on investments and deposits of the fund shall be carried forward into the subsequent fiscal year.

(4) No part of the fund shall be diverted to the general fund or any other public fund.

(5) Moneys in the fund shall be invested by the state treasurer in accordance with the provisions of § 9-4-603.

(6) Moneys in the fund shall only be expended and obligated in accordance with recommendations made and received from the Tennessee Higher Education

Commission for the purchase of equipment needed at the state colleges and universities.

(d) The Tennessee Higher Education Commission shall annually prior to October 1st make recommendations to the commissioner of finance and administration for the purchase of equipment needed at state colleges and universities subject to and limited to the amount of funds in the higher education equipment fund. Provided, however, purchases for which payment would be made over time could be made from the fund if the present value of the time purchase was calculated and the balance in the higher education equipment fund is determined by the state treasurer to be sufficient to cover such purchase together with all other commitments of funds for that fiscal year. In making its recommendations, THEC is directed to give consideration first to that equipment which is the oldest and/or most obsolete in view of current practices and technology. The commissioner of finance and administration is directed to include THEC's recommendations in the general appropriations act for the next fiscal year. The commissioner shall not change or modify such recommendations.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.